

**31A-22-1502 Motorboat liability coverage.**

- (1) A liability insurance policy purchased to satisfy the owner's or operator's security requirement of Section 73-18c-301 shall:
  - (a) name the motorboat owner or operator in whose name the policy was purchased, state that named insured's address, the coverage afforded, the premium charged, the policy period, and the limits of liability;
  - (b)
    - (i) if it is an owner's policy:
      - (A) designate by appropriate reference each motorboat on which coverage is granted;
      - (B) insure the person named in the policy;
      - (C) insure any other person using any named motorboat with the express or implied permission of the named insured; and
      - (D) except as provided in Subsection (7), insure any person included in Subsection (1)(c) against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of the named motorboat within the United States and Canada, subject to limits exclusive of interest and costs, for each motorboat, in amounts not less than the minimum limits specified under Section 31A-22-1503; or
    - (ii) if it is an operator's policy, insure the person named as insured against loss from the liability imposed upon him or her by law for damages arising out of the insured's use of any motorboat not owned by the insured, within the same territorial limits and with the same limits of liability as in an owner's policy under Subsection (1)(b)(i); and
  - (c) except as provided in Subsection (7), insure persons related to the named insured by blood, marriage, adoption, or guardianship who are residents of the named insured's household, including those who usually make their home in the same household but temporarily live elsewhere, to the same extent as the named insured.
- (2) A liability insurance policy covering a motorboat may:
  - (a) provide for the prorating of the insurance under that policy with other valid and collectible insurance;
  - (b) grant any lawful coverage in addition to the required motorboat liability coverage;
  - (c) if the policy is issued to a person other than a motorboat business, limit the coverage afforded to a motorboat business or its officers, agents, or employees to the minimum limits under Section 31A-22-1503, and to those instances when there is no other valid and collectible insurance with at least those limits, whether the other insurance is primary, excess, or contingent; and
  - (d) if issued to a motorboat business, restrict coverage afforded to anyone other than the motorboat business or its officers, agents, or employees to the minimum limits under Section 31A-22-1503, and to those instances when there is no other valid and collectible insurance with at least those limits, whether the other insurance is primary, excess, or contingent.
- (3) Motorboat liability coverage need not insure any liability:
  - (a) under any workers' compensation law under Title 34A, Utah Labor Code;
  - (b) resulting from bodily injury to or death of an employee of the named insured, other than a domestic employee, while engaged in the employment of the insured, or while engaged in the operation, maintenance, or repair of a designated motorboat; or
  - (c) resulting from damage to property owned by, rented to, bailed to, or transported by the insured.
- (4) An insurance carrier providing motorboat liability coverage has the right to settle any claim covered by the policy, and if the settlement is made in good faith, the amount of the settlement is deductible from the limits of liability specified under Section 31A-22-1503.

- (5) A policy containing motorboat liability coverage imposes on the insurer the duty to defend, in good faith, any person insured under the policy against any claim or suit seeking damages which would be payable under the policy.
- (6)
  - (a) If a policy containing motorboat liability coverage provides an insurer with the defense of lack of cooperation on the part of the insured, that defense is not effective against a third person making a claim against the insurer, unless there was collusion between the third person and the insured.
  - (b) If the defense of lack of cooperation is not effective against the claimant, after payment, the insurer is subrogated to the injured person's claim against the insured to the extent of the payment and is entitled to reimbursement by the insured after the injured third person has been made whole with respect to the claim against the insured.
- (7) A policy of motorboat liability coverage may specifically exclude from coverage a person who is a resident of the named insured's household, including a person who usually makes his or her home in the same household but temporarily lives elsewhere, if each person excluded from coverage satisfies the owner's or operator's security requirement of Section 73-18c-301, independently of the named insured's proof of owner's or operator's security.

Amended by Chapter 211, 2006 General Session